



# Health Insurance Exchanges Under the ACA

Mayor's Health Reform Implementation  
Committee  
June 15, 2011

# What is an Exchange?



# Goals of the Exchange

- ▶ Promoting competition
- ▶ Simplifying shopping for insurance
- ▶ Enforcing consumer protections
- ▶ Standardizing consumer information
- ▶ Centralizing enrollment
- ▶ Facilitating insurance market reform – shifting the market from competition based on avoiding risk to competition based on price and quality

# Key Functions of the Exchange

- ▶ Maintain an on-line portal where consumers can obtain standardized information on insurance products
- ▶ Make comparison shopping for insurance easy (like Expedia or Orbitz)
- ▶ Provide customer service and call center
- ▶ Centralize enrollment and screen individuals for Medicaid and link to Medicaid system for enrollment
- ▶ Transition between commercial and government programs
- ▶ Establish *Navigator* Program
- ▶ Determine eligibility for and administer tax credits
- ▶ Provide an electronic calculator to determine the cost of coverage after tax credit and cost sharing
- ▶ Enroll individuals and businesses into plans through standardized electronic forms
- ▶ Maintain customer confidentiality
- ▶ Enforce consumer protections
- ▶ Track compliance, penalties and exemptions



## You've Selected:

### Benefits Package

- ☒ YAP
- ☒ Bronze
- ☒ Silver
- ☒ Gold

## Narrow Your Plans by:

### Monthly Cost

- Less than \$300 (40)
- \$301 - \$400 (19)
- \$401 - \$500 (2)
- Greater than \$500 (1)

### Annual Deductible

- None (12)
- \$250 - \$500 (18)
- \$500 - \$1,000 (6)
- \$1,000 - \$2,000 (6)
- \$2,000 - \$4,000 (22)

### Insurance Carrier

- Carrier A (11 Plans)
- Carrier B (7 Plans)
- Carrier C (11 Plans)
- Carrier D (11 Plans)
- Carrier E (11 Plans)

Sort plans by Benefits Package

Show Plans. Then choose up to 3 to compare. Click **Continue** at bottom.

	Monthly Cost	Annual Deductible	Annual Out of Pocket Max.	Doctor Visit	Generic Rx	Emergency Room	Hospital Stay
STANDARD BENEFITS FOR ALL YAP LOW WITHOUT Rx PLANS							
<b>YAP Low no Rx Benefits Package</b> 5 plans available <a href="#">Show Plans</a>   <a href="#">About YAP Low no Rx</a>	as low as <b>\$136</b>	\$2,000	\$5,000	\$25 copay	Not applicable	\$250 copay	annual deductible, then 20% co-insurance
STANDARD BENEFITS FOR ALL YAP LOW WITH Rx PLANS							
<b>YAP Low with Rx Benefits Package</b> 5 plans available <a href="#">Show Plans</a>   <a href="#">About YAP Low with Rx</a>	as low as <b>\$163</b>	\$2,000	\$5,000	\$25 copay	\$15 copay	\$250 copay	annual deductible, then 20% co-insurance
STANDARD BENEFITS FOR ALL YAP HIGH WITHOUT Rx PLANS							
<b>YAP High no Rx Benefits Package</b> 5 plans available <a href="#">Show Plans</a>   <a href="#">About YAP High no Rx</a>	as low as <b>\$168</b>	\$250	\$5,000	\$25 copay	Not applicable	\$250 copay	annual deductible, then 30% co-insurance
STANDARD BENEFITS FOR ALL YAP HIGH WITH Rx PLANS							
<b>YAP High with Rx Benefits Package</b> 5 plans available <a href="#">Show Plans</a>   <a href="#">About YAP High with Rx</a>	as low as <b>\$191</b>	\$250	\$5,000	\$25 copay	\$15 copay	\$250 copay	annual deductible, then 30% co-insurance
STANDARD BENEFITS FOR ALL BRONZE LOW PLANS							
<b>Bronze Low Benefits Package</b> 6 plans available <a href="#">Show Plans</a>   <a href="#">About Bronze Low</a>	as low as <b>\$219</b>	\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	annual deductible, then \$25 copay	annual deductible, then \$15 copay	annual deductible, then \$100 copay	annual deductible, then 20% co-insurance
STANDARD BENEFITS FOR ALL BRONZE MEDIUM PLANS							
<b>Bronze Medium Benefits Package</b> 6 plans available <a href="#">Show Plans</a>   <a href="#">About Bronze Medium</a>	as low as <b>\$224</b>	\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$30 copay	\$10 copay	annual deductible, then \$150 copay	annual deductible, then \$500 copay
STANDARD BENEFITS FOR ALL BRONZE HIGH PLANS							
<b>Bronze High Benefits Package</b> 6 plans available <a href="#">Show Plans</a>   <a href="#">About Bronze High</a>	as low as <b>\$229</b>	\$250 (ind.) \$500 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$25 copay	\$15 copay	\$150 copay	annual deductible, then 35% co-insurance
STANDARD BENEFITS FOR ALL SILVER LOW PLANS							
<b>Silver Low Benefits Package</b> 6 plans available <a href="#">Show Plans</a>   <a href="#">About Silver Low</a>	as low as <b>\$272</b>	\$1,000 (ind.) \$2,000 (fam.)	\$2,000 (ind.) \$4,000 (fam.)	\$20 copay	\$15 copay	annual deductible, then \$100 copay	annual deductible, then no copay
STANDARD BENEFITS FOR ALL SILVER MEDIUM PLANS							
<b>Silver Medium Benefits Package</b> 6 plans available <a href="#">Show Plans</a>   <a href="#">About Silver Medium</a>	as low as <b>\$288</b>	\$500 (ind.) \$1,000 (fam.)	\$2,000 (ind.) \$4,000 (fam.)	\$20 copay	\$15 copay	\$100 copay	annual deductible, then no copay
STANDARD BENEFITS FOR ALL SILVER HIGH PLANS							
<b>Silver High Benefits Package</b> 6 plans available <a href="#">Show Plans</a>   <a href="#">About Silver High</a>	as low as <b>\$311</b>	None	\$2,000 (ind.) \$4,000 (fam.)	\$25 copay	\$15 copay	\$100 copay	\$500 copay
STANDARD BENEFITS FOR ALL GOLD PLANS							
<b>Gold Benefits Package</b> 6 plans available <a href="#">Show Plans</a>   <a href="#">About Gold</a>	as low as <b>\$380</b>	None	None	\$20 copay	\$15 copay	\$75 copay	\$150 copay

# ACA Requirements for the Exchange

## *Establishing the Exchange*

- ❖ The District must establish an Exchange by 2014 or allow the federal government to establish one for the District
- ❖ The District must demonstrate significant progress in the establishment of the Exchange and signal “readiness” in 2013

The District has the option to:

Operate the  
Exchange directly

Enter into  
agreements with  
other states to jointly  
provide an Exchange

Allow the federal  
government to run  
the Exchange for the  
District

# ACA Requirements for the Exchange

## *Operating the Exchange*

Exchange must be operated by either:

District Agency

Quasi-  
Governmental  
Agency

Independent  
Nonprofit

# ACA Requirements for the Exchange

## *Types of Exchanges*

- ❖ There will be 2 types of Exchanges:
  - American Health Benefit Exchange, or Individual Health Exchange
  - Small Business Health Options Program, or SHOP Exchange

DC can choose to:

Establish a single  
Exchange serving both  
individuals and small  
businesses, or

Establish separate  
entities



# ACA Requirements for the Exchange

## *Qualified Plans in the Exchange*

Exchanges must certify that Health Plans sold in the Exchange meet certain requirements – *Qualified Plans*

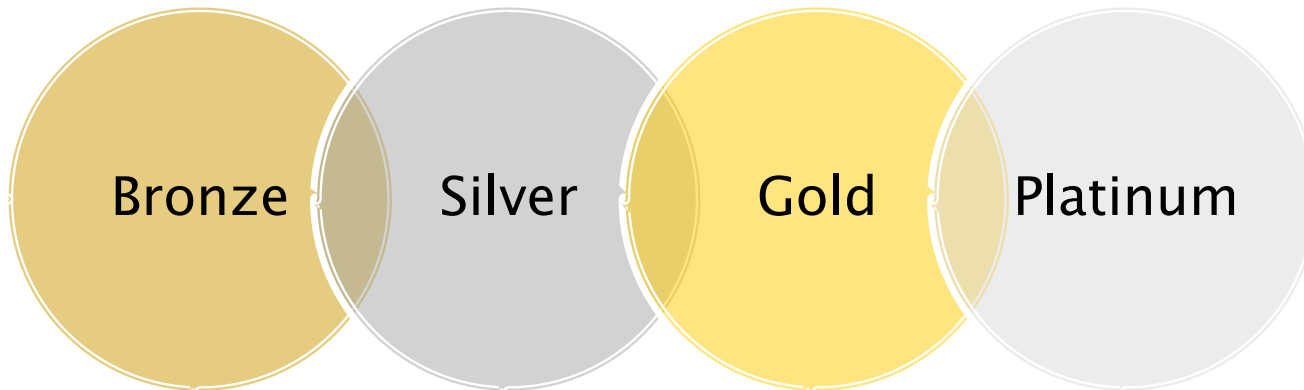
Qualified Plans are required to:

- ❑ Limit differences in rates charged for coverage
- ❑ Present rate increases to the Exchange for examination
- ❑ Provide *Essential Benefits*, to be defined by HHS
- ❑ Provide and make public extensive reports for transparency
  - ✓ Claims payment policies and practices, including data on denied claims
  - ✓ Data on rating practices and enrollment
  - ✓ Information on the amount of cost-sharing required
  - ✓ Information on payments for out-of-network coverage

# Qualified Plans

Qualified plans can offer varying levels of coverage.

*Levels are distinguished by the percentage of costs that will be paid for by the plan vs. the average consumer*



- ❖ Qualified plans must:
  - ✓ Agree to offer at least one Silver and one Gold Plan
  - ✓ Agree to charge the same premium whether the plan is sold inside or outside of the Exchange